

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7748**

**BILL NUMBER:** HB 1334

**DATE PREPARED:** Jan 5, 2001

**BILL AMENDED:**

**SUBJECT:** Legislative Campaign Spending Limits.

**FISCAL ANALYST:** Chris Baker

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill provides that a candidate for election to the Indiana House of Representatives may not spend more than a total of \$15,000 before a primary election and \$30,000 during the period between primary election day and general election day. It provides that the expenditure limits for a candidate for election to the Indiana Senate are double the corresponding limits for candidates for election to the House of Representatives. This bill also provides that expenditures made by other persons to support a legislative candidate count toward the candidate's expenditure limit. The bill provides that expenditures made by a state political party for the support of more than one candidate do not count toward the expenditure limit of any candidate. The bill also requires persons (other than the candidate or candidate's committee) making expenditures on behalf of a candidate of more than \$100 in the election cycle to make an accounting of all expenditures to the candidate's committee. It requires the treasurer of a candidate's committee to include in the treasurer's annual report information about outside expenditures. The bill authorizes the Indiana Election Commission to impose civil penalties for violations. This bill also provides that the expenditure limits do not apply to write-in candidates and candidates nominated by petition.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** There may be additional investigative expenditures by the Election Commission for the inspection of possible violations under this bill. The civil penalties described in the proposal would include the cost of investigation. As of October 2000, the Election Commission had nine authorized staff members. One position was vacant, a systems analyst. The other eight positions include two attorneys, two field auditors, two unclassified executive positions, a program coordinator, and an administrative assistant.

**Explanation of State Revenues:** The bill would allow the assessment of civil penalties for violations. The maximum penalty that could be assessed, for each violation of the maximum expenditure limit, would be twice the amount of expenditure that exceeds the expenditure limit plus any investigative costs. Additionally,

a civil penalty may be assessed in the amount not greater than two times the expenditure that was failed to be reported. All civil penalties assessed, under the proposal, would be deposited in the State Campaign Finance Enforcement Account. In FY 2000 there were \$19,830 in penalties deposited into the Account. The Account is used for the enforcement of campaign laws and creating and operating a campaign finance computer system, including the investment in technology to expand the capabilities of the computer system.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Election Commission.

**Local Agencies Affected:**

**Information Sources:**